

AMENDED IN SENATE AUGUST 15, 2013

AMENDED IN SENATE JULY 2, 2013

AMENDED IN ASSEMBLY MAY 20, 2013

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

ASSEMBLY BILL

No. 562

Introduced by Assembly Member Williams

February 20, 2013

An act to add Section 53083 to the Government Code, relating to economic development.

LEGISLATIVE COUNSEL’S DIGEST

AB 562, as amended, Williams. Economic development subsidies: review by local agencies.

Existing law provides for various programs for economic development activities by state and local agencies.

This bill would, beginning January 1, 2014, require each local agency, as defined, to provide specified information to the public before approving an economic development subsidy, as defined, within its jurisdiction, and to review, hold hearings, and report on those subsidies at specified intervals.

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 53083 is added to the Government Code,
2 to read:

1 53083. (a) On and after January 1, 2014, each local agency
2 shall, before approving any economic development subsidy within
3 its jurisdiction, provide all of the following information in written
4 form available to the public, and through its Internet Web site, if
5 applicable:

6 (1) The name and address of ~~the entity or individual that is all~~
7 *corporations or any other business entities, except for sole*
8 *proprietorships, that are* the beneficiary of the economic
9 development subsidy, if applicable, ~~except that the address of the~~
10 ~~beneficiary does not need to be posted on the local agency's~~
11 ~~Internet Web site if the beneficiary is a sole proprietor applicable.~~

12 (2) The start and end dates and schedule, if applicable, for the
13 economic development subsidy.

14 (3) A description of the economic development subsidy,
15 including the estimated total amount of the expenditure of public
16 funds by, or of revenue lost to, the local agency as a result of the
17 economic development subsidy.

18 (4) A statement of the public purposes for the economic
19 development subsidy.

20 (5) Projected tax revenue to the local agency as a result of the
21 economic development subsidy.

22 (6) Estimated number of jobs created by the economic
23 development subsidy, broken down by full-time, part-time, and
24 temporary positions.

25 (b) Before granting an economic development subsidy, each
26 local agency shall provide public notice and a hearing regarding
27 the economic development subsidy. A public hearing and notice
28 under this subdivision is not required if a hearing and notice
29 regarding the economic development subsidy is otherwise required
30 by law.

31 (c) The information required to be provided in subdivision (a)
32 shall remain available to the public under existing state and federal
33 law and be posted on the local agency's Internet Web site, if
34 applicable, for the entire term of the economic development
35 subsidy.

36 (d) The local agency, within the term of the economic
37 development subsidy but not later than five years after the action
38 granting an economic development subsidy, as defined in paragraph
39 (1) of subdivision (g), shall issue a report for each economic
40 development subsidy. The report shall contain the information

1 described in subdivision (a). The local agency shall make the report
2 available to the public and through its Internet Web site, if
3 applicable. The report shall also contain the following information,
4 if applicable:

5 (1) The name and address of ~~each entity or individual that is all~~
6 *corporations or any other business entities, except for sole*
7 *proprietorships, that are* the beneficiary of the economic
8 development subsidy, ~~except that the address of the beneficiary~~
9 ~~does not need to be posted on the local agency's Internet Web site~~
10 ~~if the beneficiary is a sole proprietor~~ *subsidy, if applicable.*

11 (2) The start and end dates and schedule for the economic
12 development subsidy.

13 (3) A description of the economic development subsidy,
14 including the estimated total amount of the expenditure of public
15 funds by, or of revenue lost to, the local agency as a result of the
16 economic development subsidy.

17 (4) The net tax revenue accruing to the local agency as a result
18 of the economic development subsidy.

19 (5) The net number of jobs created by the economic development
20 subsidy, broken down by full-time, part-time, and temporary
21 positions.

22 (e) (1) The local agency, within the term of the economic
23 development subsidy but no later than five years after the action
24 granting an economic development subsidy, as defined in paragraph
25 (1) of subdivision (g), shall hold a public hearing to consider any
26 written or oral comments on the information contained in the report
27 prepared pursuant to subdivision (d).

28 (2) For an economic development subsidy, as defined in
29 paragraph (1) of subdivision (g), with a term of 10 years or more,
30 the local agency shall hold a public hearing at the conclusion of
31 each economic development subsidy that shall contain the
32 information described in subdivision (d), in written form available
33 to the public, and through its Internet Web site, if applicable.

34 (f) Each public hearing required by this section shall be
35 consolidated with a local agency's regularly scheduled hearing.

36 (g) As used in this section, the following terms have the
37 following meanings:

38 (1) "Economic development subsidy" means any expenditure
39 of public funds or loss of revenue to a local agency in the amount
40 of one hundred thousand dollars (\$100,000) or more, for the

1 purpose of stimulating economic development within the
2 jurisdiction of a local agency, including, but not limited to, bonds,
3 grants, loans, loan guarantees, enterprise zone or empowerment
4 zone incentives, fee waivers, land price subsidies, matching funds,
5 tax abatements, tax exemptions, and tax credits. “Economic
6 development subsidy” shall not include expenditures of public
7 funds by, or loss of revenue to, the local agency for the purpose
8 of providing housing affordable to persons and families of low or
9 moderate income, as defined in Section 50093 of the Health and
10 Safety Code.

11 (2) “Local agency” means a city, including a charter city, county,
12 or city and county.

13 SEC. 2. The Legislature finds and declares that the right of the
14 public to be informed of economic development subsidies approved
15 by their local agencies, as described in Section 53083 of the
16 Government Code, as added by Section 1 of this act, is a matter
17 of statewide concern, and not a municipal affair, as that term is
18 used in Section 5 of Article XI of the California Constitution.